

HOUSE BILL 3545
By Kernell

AN ACT to amend Tennessee Code Annotated, Title 2,
Chapter 10 and Title 3, Chapter 6, and Chapter ____
of the Public Acts of 2006 (HB 7001 / SB 7001) ____
relative to conflicts of interest.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Chapter ____ of the Public Acts of 2006 (HB 7001 / SB 7001) is amended by
adding a new section thereto, as follows:

Section 2-10-3___. Interest on a loan to a campaign may be paid with campaign
funds. Any interest on a loan to a campaign that is more than two percentage (2%)
points above the current composite prime as published by the federal reserve board
shall be reported to the registry of election finance.

SECTION 2. Chapter ____ of the Public Acts of 2006 (HB 7001 / SB 7001) is amended by
deleting Section 2-10-114(b)(1) and by substituting instead the following new language:

(b)

(1) Except as provided in subsection (a), no candidate for public office shall use
any campaign funds for any other purpose other than a contribution or expenditure as
defined by this chapter. The disbursement of campaign funds for a candidate's own
personal use is not permitted. For the purpose of this section, "personal use" is defined
as any use which the candidate for public office or elected public official would be
required to treat the amount of the expenditure as gross income under §61 of the
Internal Revenue Code of 1986, 26 U.S.C. §61, or any subsequent corresponding
Internal Revenue Code of the United States, as from time to time amended, provided
however, no interest shall be paid to the candidate for a candidate's personal loan to the
campaign in an amount greater than the prime interest rate unless it is demonstrated to

the registry that the higher amount is the actual cost of capital to the candidate. The registry shall promulgate rules and regulations to effectuate the purposes of this act.

SECTION 3. This act shall take effect July 1, 2006, the public welfare requiring it.